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SUBJECT: Two Shenzhen Labor Campaigns Stopped: NGOs Closed
and Computers Confiscated

REF: A) Guangzhou 29575

¶1. (U) Classified by Consul General Robert Goldberg.
Reason 1.4 (d).

¶2. (C) SUMMARY: Shenzhen officials continue to be concerned about the activities of labor NGOs and recent government reaction to restrict their political activities seems to bear this out. On November 9, during investigations of five Shenzhen-based labor rights NGOs, local officials removed nine computers (later returning three) and closed two unregistered NGOs. Then, on November 11, a 10,000 person protest over a social security embezzlement scandal in Shenzhen was cancelled because organizers could not get a permit from the Public Security Bureau. Both cases were also partially inspired and advised by rights protectionists, particularly the tactics of lawyer Tang Jingling. END SUMMARY.

¶3. (SBU) Li Qiang, Executive Director of the New York-based labor rights group China Labor Watch (CLW), recently posted an internet article stating that local Shenzhen officials from the Administration of Industry and Commerce, All China Federation of Trade Unions, Public Security Bureau and other government bureaus conducted inspections of five Shenzhen-based labor rights organizations on November 9. According to Radio Free Asia (RFA), the "raids" were part of a large "crackdown" against 12 labor NGOs in Shenzhen that had initiated a petition movement to eliminate a "handling fee" for labor arbitration cases. Li was concerned about the issue because some of the NGO groups had attended a CLW-sponsored "salon" in October and other leaders in the movement had previously attended CLW labor rights training sessions.

¶4. (C) On November 30, Congenoff met with three labor rights groups in Shenzhen, including Li Weizhong, CLW's Pearl River Delta (PRD) representative. Li Weizhong said that in addition to the arbitration fee, the petitioners also requested the elimination of the requirement that migrant workers carry identification documents. Li said the 12 NGOs involved were: Aicai Labor Dispute Service Bureau, Shenzhen Migrant Workers Association, Shenzhen Chunfeng Labor Dispute Service Bureau, Shenzhen Laowei Law Firm, Shenzhen Compassion House, Shenzhen Migrant Workers Service Bureau, Xiwang Labor Dispute Service Bureau, Liang Shuonan Labor Dispute Service Center, Cangtian Labor Dispute Service Bureau, Zhangfa Labor Dispute Service Bureau, Hexie Labor Dispute Service Bureau, and Wanshijie

Labor Dispute Service Bureau. Other activists who also placed their names on the petition included lawyer Tang Jingling (reftel) and Zhongshan University professor Ai Xiaoming, both of whom are known among activists for their defense of villagers during the Taishi village protests in 2005.

Background: Arbitration Fee Elimination

15. (SBU) The idea for eliminating the labor dispute handling fee began in February: local media reported then that 12 members of the Guangdong Provincial People's Congress proposed to abolish Guangdong province's law on "Fees for Labor Dispute Arbitration." According to PRC law, authorities are allowed to charge fees (such as for "appraisal" or "travel" expenses); this would amount to one to three percent of the case's target compensation amount, or a minimum of RMB 500. Li Qiang wrote that "99.99% of cases do not require such a fee; nonetheless, the government collects these charges."

16. (C) In March, CLW's Li Weizhong said that, upon the advice of rights protectionist activists such as Tang Jingling, 12 NGOs decided to create a petition campaign - hoping to collect 10,000 signatures - to eliminate the fee. Soon after the campaign started, Li Qiang said that two organizations withdrew because of government pressure. Li Weizhong said that many of the 12 NGOs had attended a CLW-sponsored "salon" (a monthly forum for labor NGOs in the PRD). At the meeting, the NGOs did not directly discuss the petition campaign, but were persuaded to seek policy changes. Later in October, the group decided to expand the campaign to seek 1 million signatures.

NGO Closures and Computer Confiscation

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17. (C) Li Weizhong said the Shenzhen government took three main actions against NGOs involved in the campaign. First, two NGOs - the Shenzhen Migrant Workers Association (Shenzhen Wailaigong Xiehui) and the Migrant Worker Mutual Assistance Association (Laowugong Huzhuhui) - were declared "illegal organizations" and were ordered to cease operations because they were working without registration with the local Civil Affairs Bureau. Zhang Zhiru, who founded the Shenzhen Migrant Workers Association, believes the crackdown was "mainly related to the signature campaign."

18. (C) Second, authorities took nine computers from four offices; however, three of the computers were later returned. Li Qiang wrote in an email to Congenoff that because of the seizure of computers, the Chinese government was now more aware of CLW's activities in the PRD. Li Weizhong, however, denied this, saying that the government was already aware of the group's activities and that the investigation will not significantly impact CLW's work. Third, Li said that Duan Haiyu (Migrant Worker Mutual Assistance Association) was attacked by three thugs in October, which Li suspected was related to the crackdown as well.

Other NGOs seem less concerned

19. (C) One of the 12 groups mentioned by Li Qiang's internet statement is the Guangdong Laowei Law Firm (Guangdong laodong weiquan luguanshi fusuo). Laowei is a labor rights law firm with seven full-time lawyers who provide free legal advice to migrant workers (about 1,000 cases a year). Two lawyers from the law firm said that they supported the petition campaign and that they had received legal cases from the Shenzhen Migrant Workers

Association. During the recent crackdown, however, they said they received no government pressure.

¶10. (C) Two leaders from the group Little Bird (Xiao Xiao Niao), a migrant workers association with offices in Beijing and Shenzhen, said they did not consider the recent investigations to be "too serious." The leaders believed that the government typically only pressures organizations operating without Civil Affairs registration or lawyers without legal licenses. According to the leaders, Little Bird has a list of about 100 lawyers it uses for legal aid services, all of whom must have legal licenses. In October, Little Bird held a conference of lawyers to discuss possible changes in labor laws. The lawyers agreed that the most important areas for reform are the 500 RMB arbitration fee and the lengthy arbitration process itself.

Elsewhere in Shenzhen: Shekou protest cancelled

¶11. (SBU) RFA and other labor rights dissident websites reported that on November 11, more than 10,000 workers from Shenzhen's Shekou Industrial Zone planned a protest to raise attention to an embezzlement scandal involving the workers' social security fund. Protestors eventually had to cancel the protest, however, because the Public Security Bureau did not grant them a permit.

¶12. (SBU) According to worker representatives, the Shekou Industrial Zone Co., Ltd. established the Shekou Social Security Insurance Company (SSSIC) 20 years ago to manage the social security funds of the 50,000 workers. Three years after its establishment, the Shekou Social Security Insurance Company and other companies formed the Pingan Insurance Company, in which SSSIC maintained a 51 percent share. In 2001, SSSIC's share in Pingan dropped to 14 percent, and by 2002 the company had sold off its remaining shares. The workers believe that in these transactions, as much as RMB 10 billion (USD 1.25 billion) was embezzled.

¶13. (C) CLW's Li Weizhong said that many activists were aware of the issue, but he did not want to become involved because he considers the issue "too complicated." Li said that police have investigated a few leaders of the protest movement. On November 16, Tang Jingling told Congenoff he advised protest leaders to create a petition campaign, stating exactly how much money each person believes they

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have lost.

Comment

¶14. (C) The reasons for the NGO investigations seem both political and financial. Typically the Chinese government will allow NGOs to develop as long as they remain parochial and unorganized. Officials may have considered the petition campaign a threat, however, because the movement comprised 12 NGOs protesting for a policy change. Another concern might have been financial. Local officials, especially from the Labor and Social Security Bureau, may have profited either personally or institutionally from the 500 RMB arbitration fee and they did not want to see this revenue source eliminated. While the investigation does not seem as serious as the China Labor Watch release insists (the two NGOs who were shut down were operating illegally under PRC law), nevertheless, the government used the investigations to stymie the NGOs' involvement in the petition campaign and confiscated the computers to gain information on NGO activities.

¶15. (C) Lawyer Tang Jingling - who was affiliated with China Labor Watch from 2004-2005 - seems to consider petition campaigns one of the most effective means of achieving political aims. Recently Tang told Congenoff

that he wants to see more petition campaigns started in China, in order to further the goals of the rights protection movement (septel). Tang's influence can clearly be seen in both the arbitration fee and Shekou protest examples.

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